

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 723 Postsecondary Education Fee Waivers
SPONSOR(S): State Universities & Private Colleges Policy Committee and Sachs
TIED BILLS: **IDEN./SIM. BILLS:** SB 2102

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	State Universities & Private Colleges Policy Committee	11 Y, 0 N, As CS	Valenstein	Tilton
2)	State Universities & Private Colleges Appropriations Committee		Smith	Trexler
3)	Education Policy Council			
4)				
5)				

SUMMARY ANALYSIS

Current law authorizes state universities, community colleges and school districts to waive tuition and fees under various circumstances.

CS/HB 723 authorizes a state university or community college to waive tuition and fees for full time public school classroom teachers for six credit hours per term in undergraduate courses, as space is available. These fee waivers are only available for courses approved by the Department of Education and must relate to special education, mathematics or science. Additionally, a public school teacher must meet any academic requirements established by the state university or community college and cannot use the fee waiver for courses scheduled during the school day.

The fiscal impact of the bill is indeterminate. (See FISCAL COMMENTS)

The effective date provided is July 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Currently, school districts, community colleges and state universities are authorized to grant fee waivers under various circumstances.¹ Section 1009.26, F.S., authorizes fee waivers for: supervisors of university student interns; full-time university employees for up to 6 credit hours per term, as space is available; state residents 60 years or older, as space is available; graduate students in a psychology training program for specified internships; certain nondegree-seeking students; the spouse of a deceased state employee; recipient of a Purple Heart; and for other such purposes that support the mission of a state university.² Additionally, section 1009.26, F.S., authorizes school districts and community colleges to waive fees for any fee-nonexempt student, up to the amount established annually in the General Appropriations Act. Section 1009.265, F.S., requires state universities and community colleges to waive tuition and fees for approved state employees to take up to six credit hours per term, as space is available.³ There is no specific statutory authority to waive tuition and fees for public school classroom teachers; however, some of these individuals may be eligible for an existing fee waiver such as one granted under the general authority provided to state universities to waive tuition and out-of-state fees for any purpose that supports the mission of the university.

According to the State University System Fee Waiver Summary report for 2007-2008⁴, there were 30,064 students enrolled using a fee waiver. This resulted in the universities forgoing approximately \$77,194,555 in revenues.⁵

According to the Department of Education Summary of Student Fee Exemptions and Waivers report for 2008-2009⁶, there were 8,115 students enrolled using a fee waiver. This resulted in the community colleges forgoing approximately \$4,473,638 in revenues.⁷

¹ Sections 1009.26 and 1009.265, F.S.

² Section 1009.26(1)-(9), F.S.

³ Section 1009.265(1), F.S.

⁴ Fee Waiver summary created from Student Data Course File Edit Reports – Summer 2007, Fall 2007, and Spring 2008.

⁵ State University System of Florida, Fee Waiver Summary 2007-08, State University System of Florida Fact Book, Table 37, available at <http://www.flbog.org/resources/factbooks/factbooks.php> (last visited March 12, 2010).

⁶ Report created from data reported on an academic year basis including, Summer 2008, Fall 2008, and Spring 2009.

⁷ Department of Education, Summary of Student Fee Exemptions and Waivers, FY 2008-2009, Schedule 4.

The Education Information & Accountability Services Data Report states there were 166,724 teachers in the fall of 2009.⁸ These teachers typically continue to take academic course work at community colleges and state universities during their careers to maintain licensure, participate in professional development and seek additional academic credentials and degrees.⁹

Effect of Proposed Changes

CS/HB 723 authorizes, but does not require, a state university or community college to waive tuition and fees for full time public school classroom teachers for six credit hours per term in undergraduate courses, as space is available. These fee waivers are only available for courses approved by the Department of Education and must relate to special education, mathematics or science. Additionally, a public school teacher must meet any academic requirements established by the state university or community college and cannot use the fee waiver for courses scheduled during the school day.

CS/HB 723 authorizes the State Board of Education to adopt a rule that prescribes the process for the approval of courses by the Department of Education.

B. SECTION DIRECTORY:

Section 1. Amends s. 1009.26, F.S., authorizing a state university or community college to waive tuition and fees for certain public school teachers for certain undergraduate courses.

Section 2. Provides an effective date of July 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Fee waivers would benefit K-12 instructional personnel who currently pay to take academic course work during their careers for the purpose of maintaining certification, professional development, or to seek additional credentialing.¹⁰

D. FISCAL COMMENTS:

Public school classroom teachers continue to take academic course work during their careers to maintain licensure, participate in professional development and seek additional academic credentials

⁸ Available at <http://www.fldoe.org/eias/eiaspubs/default.asp> (Last visited March 12, 2010).

⁹ Florida Department of Education Analysis of HB 723, February 2, 2010.

¹⁰ *Id.*

and degrees. The universities may lose revenues from existing fee paying students who will qualify for the fee waiver.¹¹

The Board of Governors calculated the potential loss of revenues the universities may face from the fee waivers for undergraduate courses as follows¹²:

Each eligible public school instructional employee who meets academic requirements may receive 6 credits per term x 3 academic terms per year = 18 credit hours cost waived annually. Using the state university system average hourly rate of \$145.03 for combined undergraduate tuition and fees, each eligible employee could receive up to \$2,610.54 in waiver authority per academic year.

If a participation methodology is used that looks at the percentage of state university personnel utilizing a university fee waiver available during the fall of 2008, which equates to approximately 3% of all state university full-time personnel, an estimated cost associated with this proposed legislation can be calculated as:

If 3% ([5002]) of all eligible public school [classroom teachers] were to fully utilize the proposed state university waivers for 3 academic terms per year (totaling [90036] credit hours), the associated tuition & fees costs would be approximately \$[13,057,921.08] annually.

Using the same calculation for the Florida Colleges average hourly rate of \$84.51, the total tuition and fees would be approximately \$7,608,942.36.

CS/HB 723 may cause additional administrative costs for the university or college which will have to verify that each student seeking a fee waiver falls within the statutory definition of full time public school classroom teacher, identify specific courses for which the fee waiver may be used, and track and limit waived tuition and fees to six credit hours per term per eligible employee.¹³

The fiscal impact is indeterminate at this time. The impact will depend on numerous factors, including the number of institutions which grant the fee waivers and the number of eligible personnel that participate in the fee waiver program. Specific information regarding these variables is unavailable at this time.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require a city or county to expend funds or to take any action requiring the expenditure of funds.

The bill does not appear to reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not appear to reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

¹¹ Florida Department of Education Analysis of HB 723, February 2, 2010.

¹² Board of Governors Analysis of HB 723, February 23, 2010.

¹³ See Florida Department of Education Analysis of HB 723, February 2, 2010.

The State Board of Education is granted the authority to adopt a rule that prescribes the process for the approval of courses by the Department of Education.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 17, 2010, the State Universities and Private Colleges Policy Committee adopted one amendment to HB 723 and reported the bill favorably as a Committee Substitute (CS). The amendment limits the use of the fee waivers to full time public school classroom teachers for six credit hours per term in undergraduate courses, as space is available. The amendment clarifies that fee waivers are only available for courses approved by the Department of Education. The courses must relate to special education, mathematics or science. Additionally, the amendment requires public school teachers to meet any academic requirements established by the state university or community college and prohibits the use of the fee waiver for courses scheduled during the school day. The amendment also grants rulemaking authority to the State Board of Education. This analysis is drafted to the CS.